

Student Transportation Consortia Model and Operations: Discussion Guide

Ministry of Education
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Ontario 

About this Engagement

The Ministry of Education is building on Ontario's world-class education system. A large part of this plan is ensuring that students arrive at school safe and ready to learn. The ministry provides student transportation funding to school boards to support the delivery of effective and efficient transportation services. In Ontario, transportation funding is over \$1 billion; therefore, it is important to consider cost effectiveness and ensure value for money.

On January 27, 2020, the government announced its intention to undertake a review of student transportation. The scope of the review includes:

1. Funding formula for student transportation
2. Consortia model and operations
3. Student transportation procurement

To engage the sector as part of this review, the ministry established a Student Transportation Advisory Group to provide an opportunity for stakeholders to share their expertise, experience, and ideas on matters related to the student transportation funding formula, operations and delivery. The focus of these discussions will be on the consortia model and operations.

This guide is intended to support stakeholders in understanding the government's objectives and to facilitate meaningful discussion with student transportation stakeholders.

Background on Student Transportation Consortia in Ontario

In the 2005-06 school year, as part of the Student Transportation Reform initiative, the Ministry of Education issued policy direction for school boards to form transportation consortia. At the time, the ministry established criteria for a co-operative transportation arrangement to be considered a consortium:

- The consortium is managed as a single entity (i.e. one, fully-integrated, centralized department).
- The consortium has a board of directors acting as a management committee which represents each of the partner boards equally.
- The consortium has clearly defined dispute resolution mechanisms.
- The consortium has a documented human resource plan.
- There are written agreements outlining the consortium governance structure and policies.
- Transportation is planned using one planning software, one transportation database, and one digital map.

Under the specified criteria, school boards worked together to establish transportation consortia to deliver transportation services. Currently, 71 of 72 school boards are participating in 33 transportation consortia. The composition of consortia varies from site to site and some have changed over time. (See Appendix A for the full list of consortia and member school boards.)

One French-language board, Conseil scolaire catholique de district des Grandes Rivières (CSCDGR) was granted a temporary exemption from participating in a student transportation consortium in 2006-07. CSCDGR currently delivers transportation service on its own.

School boards can participate in more than one consortium. This arrangement is common for French-language school boards due to their larger service areas. There have been instances where French language school boards have changed consortium membership in their jurisdiction. For example, Service de transport Francobus, one of the three French-language consortia, originally served the Niagara region with two member boards, and now serves multiple jurisdictions across southern Ontario.

Student Transportation Consortia Today

Currently, of the 33 consortia, there are:

- 20 transportation consortia with English-language boards;
- 3 consortia with French-language boards; and
- 10 transportation consortia that have both English-language and French-language boards.

There are varying degrees of integration of operations and differences in governance structure. The scale of student transportation consortia in Ontario also varies greatly in terms of:

- Number of students transported — As many as 69,000 students or as few as 1,600 students;
- Geographic coverage — As large as 55,279 square kilometres or as small as 636 square kilometres; and
- Expenditures — As high as \$99 million or as low as \$2.6 million.

Effectiveness and Efficiency Reviews

Between 2006 and 2016, Effectiveness and Efficiency (E&E) Reviews were conducted on transportation consortia around the province, to support school boards' efforts to deliver more effective and efficient student transportation services. A third-party review team conducted the E&E Reviews, which provided a systematic review of student transportation consortia in four key areas: consortium management; policies and

practices; routing and technology; and contracting practices. These reviews were conducted on a consortium level and not individual school boards.

School boards could receive a full or partial reset of school boards' transportation deficits based on the results of an E&E Review. After the initial E&E Review, consortia could request a follow-up review to demonstrate improvements and receive another opportunity for a funding reset for the member school boards. The E&E Reviews supported the adoption of best practices in school board management processes.

Within consortium management, the E&E Reviews included an assessment of governance, organizational structure, and operational and financial management.

Opportunities to Standardize Consortia Governance

Each consortium has a governance body that has equal representation from the member boards. Through this governance body, a consortium outlines its goals and objectives, governance structure, and roles and responsibilities in a formal consortium agreement. In addition, the consortium and school boards may have a purchase of transportation service agreement that outlines the scope of the services the consortium will provide to school boards pertaining to customer service levels, financial responsibility, transportation planning, and strategic planning; and the manner in which the consortium is to be compensated for these services.

A school board participates in a consortium in two ways: as a full member of the consortium with voting and decision rights or as a purchaser of service only. The number of full members and purchasers of service in a consortium can vary. Most consortia have at least two full member school boards; however, there is a small number of sites that have only one member school board and one or two service purchasing school boards.

The following is an excerpt of the final E&E review summary report on findings for highly effective and efficient consortia and governance:

Governance refers to the manner in which an organization is directed and controlled. Establishing administrative structures and processes that facilitate, monitor, measure and improve effective business management practices are the primary responsibilities of an organization's governing body. Three key principles for an effective governance structure are: accountability, transparency and the recognition of stakeholders. In order to respect these three principles, it is important that the governance body of the organization be independent of the team responsible for day-to-day operations.

High performing consortia have a governance committee that has equal representation for each of the member school boards, meets on a regular basis, keeps open and transparent records of meetings and decisions, is well informed about consortium operations but is not involved in day-to-day operations, and has a clear set of responsibilities. These consortia also ensure that governance committee members have appropriate understanding and sufficient training to execute on their fiduciary duty to the organization. In addition, these consortia are adopting best practices from globally successfully corporations, are defining the mission, visions and strategic direction for the organization, and are striving to define the global standards for student transportation.

For Consideration

1. What elements of consortia governance should be consistent across the province?
2. Does the size of operations matter for standardizing consortia governance?
3. Should the government consider standardizing roles and responsibilities of school boards and consortia? If so, what could those look like?
4. If the government were to consider establishing a regional consortia model, what could be the implications on consortia governance?

Opportunities to Formalize Consortia Structure

Currently, transportation consortia in Ontario are either incorporated or unincorporated. An incorporated consortium is a not-for-profit corporation that exists as a separate legal entity from the individual school boards and is created pursuant to the Ontario *Corporation Act*. An unincorporated consortium does not exist in law as an entity separate from the participating school boards. Rather, the entity is established through a consortium membership agreement.

The legal status of a consortium has an impact on operations, such as procurement and funding. For example, a consortium that is a separate legal entity can enter into agreements directly with service providers, including transportation service providers. For unincorporated consortia, member school boards would have to all sign one agreement or each board would have to enter into separate agreements with service providers.

Currently, eighteen transportation consortia are incorporated and fifteen are unincorporated entities.

The following is an excerpt of the final E&E review summary report on findings for highly effective and efficient consortia and organizational structure:

An organizational structure is optimized when it is a Separate Legal Entity (or equivalent in terms of creating independence, corporate continuity, staff planning, contracting and management) led by a General Manager who is operationally and financially held accountable for the performance of the organization. The General Manager should be supported by staff that are fully integrated and understand their specific roles and responsibilities to establish clear job expectations. Ideally, the organization is divided functionally (by department and/or area), all core business functions are identified, and there is an appropriate allocation of general management and operational responsibility.

For Consideration

1. What are the advantages and disadvantages of the current consortia structure?
2. What elements of consortia structure should be consistent across the province? Should the government mandate transportation consortia and require a standardized structure?
3. Is there an optimal size for student transportation consortia that would maximize efficiencies and leverage economies of scale? If so, what would that be?
4. What are the barriers to standardizing consortia structure?
5. If the government were to consider establishing a regional consortia model, what could be the implications on consortia structure?

Opportunities to Enhance Consortia Operations

The E&E Reviews largely contributed to transforming student transportation in Ontario, which included business and process improvements and the increased use of technology for planning and stakeholder communication. Many consortia are currently operating at an effective and efficient level. Some have also continued to pursue opportunities for improvement that were beyond those identified at the time of review.

It has been more than ten years since school boards self-organized into the current consortia structure, and student transportation operations have become more sophisticated. There has been considerable change to the overall student transportation landscape with new challenges and opportunities for efficiency to consider.

The following is an excerpt of the final E&E review summary report on findings for highly effective and efficient consortia and operational and financial management:

Best practices include consortia that have a clear strategic plan, tracking and reporting on key performance indicators, and taking action to correct negative results and trends. Consortia should have contracts in place with clear terms and conditions and pricing, paying particular attention to the confidentiality and management of data. From a staffing perspective, a robust performance evaluation, training and succession management plan should be in place. To ensure the stability of the consortium and ensure transparency in financial management, a clear and fair cost sharing methodology should also be documented and utilized. Sound financial management ensures the optimal use of public funds, in addition to supporting integrity and accuracy of financial information. Appropriate internal controls, a robust budgeting process, and a clearly defined planning and review calendar promote accountability and sound decision-making.

For Consideration

1. What are new ways to improve operational efficiency of consortia, and improve accountability to stakeholders?
2. What policies could the government implement to promote efficiency and ensure adoption of best practices (e.g., policy requirement for harmonized policies and common calendar between member boards; data sharing between consortia and member boards)?
3. What are the advantages and disadvantages if the Ministry of Education were to provide transportation funding directly to consortia?
4. If the government were to consider establishing a regional consortia model, what could be the implications on transportation service delivery and policies?

Appendix A: List of Consortia and School Board Membership

Site	Consortia Name	Member School Boards	Language Composition	Entity Status
		Full Member (F) Coterminous Purchaser of Service (P)		
1	Windsor-Essex Student Transportation Services/Service de transport des élèves – Windsor-Essex	Greater Essex County DSB (F) Windsor-Essex Catholic DSB (F) Conseil scolaire Viamonde (F) Conseil scolaire catholique Providence (F)	Mixed	Incorporation
2	Chatham Kent & Lambton Administrative School Services (C.L.A.S.S.)	Lambton Kent DSB (F) St. Clair Catholic DSB (F)	English	Incorporation
3	Southwestern Ontario Student Transportation Services	Thames Valley DSB (F) London District Catholic School Board (F)	English	Incorporation
4	Huron Perth Student Transportation Services	Avon Maitland DSB (F) Huron-Perth Catholic DSB (F)	English	Consortium Agreement
5	Student Transportation Service Consortium of Grey-Bruce	Bluewater DSB (F) Bruce-Grey Catholic DSB (F)	English	Consortium Agreement
6	Student Transportation Services of Brant Haldimand Norfolk	Grand Erie DSB (F) Brant Haldimand Norfolk Catholic DSB (F) Conseil scolaire catholique MonAvenir (F)	English	Incorporation
7	Student Transportation Services of Waterloo Region (STSWR) Inc.	Waterloo Region DSB (F) Waterloo Catholic DSB (F)	English	Incorporation
8	Niagara Student Transportation Services Corporation	DSB of Niagara (F) Niagara Catholic DSB (F)	English	Incorporation
9	Hamilton-Wentworth Student Transportation Services (HWSTS)	Hamilton-Wentworth DSB (F) Hamilton-Wentworth Catholic DSB (F)	English	Consortium Agreement
10	Service de transport de Wellington - Dufferin Student Transportation Services	Upper Grand DSB (F) Wellington Catholic DSB (F) Dufferin-Peel Catholic DSB (F) Conseil scolaire Viamonde (F) Conseil scolaire catholique MonAvenir (F)	Mixed	Incorporation

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11	Halton Student Transportation Services	Halton DSB (F) Halton Catholic DSB (F)	English	Incorporation
12	Student Transportation of Peel Region (STOPR)	Peel DSB (F) Dufferin Peel Catholic DSB (F)	English	Consortium Agreement
13	Toronto Student Transportation Group	Toronto DSB (F) Toronto Catholic DSB (F)	English	Consortium Agreement
14	Student Transportation Services of York Region	York Region DSB (F) York Catholic DSB (F)	English	Consortium Agreement
15	Simcoe County Student Transportation Consortium	Simcoe County DSB (F) Simcoe Muskoka Catholic DSB (F)	English	Incorporation
16	Durham Student Transportation Services	Durham DSB (F) Durham Catholic DSB (F)	English	Consortium Agreement
17	Trillium Lakelands District School Board	Trillium Lakelands DSB (F) Simcoe Muskoka Catholic DSB (P) Peterborough Victoria Northumberland & Clarington Catholic DSB (P)	English	Consortium Agreement
18	Student Transportation Services of Central Ontario	Kawartha Pine Ridge DSB (F) Peterborough Victoria Northumberland & Clarington Catholic DSB (F) Conseil scolaire catholique MonAvenir (F)	Mixed	Consortium Agreement
19	Tri-board Student Transportation Services Inc.	Limestone DSB (F) Hastings and Prince Edward DSB (F) Algonquin and Lakeshore Catholic DSB (F)	English	Incorporation
20	Renfrew County Joint Transportation Consortium	Renfrew County DSB (F)Renfrew County Catholic DSB (F)	English	Incorporation
21	Student Transportation of Eastern Ontario (STEO)	Upper Canada DSB (F) Catholic DSB of Eastern Ontario (F)	English	Incorporation
22	Ottawa Student Transportation Authority	Ottawa-Carleton DSB (F) Ottawa Catholic DSB (F)	English	Incorporation

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23	Nipissing Parry-Sound Student Transportation Services/Services de transport scolaire Nipissing-Parry Sound	Near North DSB (F) Nipissing-Parry Sound Catholic DSB (F) CSD du Nord-Est de l'Ontario (F) CSD catholique Franco-Nord (F)	Mixed	Incorporation
24	North East Tri-Board Student Transportation	DSB Ontario North East (F) Northeastern Catholic DSB (F) CSD du Nord-Est de l'Ontario (F)	Mixed	Consortium Agreement
25	Sudbury Student Services Consortium/Consortium de services aux élèves de Sudbury	Rainbow DSB (F) Huron-Superior Catholic DSB (P) Sudbury Catholic DSB (F) Conseil scolaire public du Grand Nord de l'Ontario (F) CSD catholique du Nouvel-Ontario (F)	Mixed	Incorporation
26	Algoma & Huron-Superior Transportation Services Consortium	Algoma DSB (F) Huron-Superior Catholic DSB (F) Conseil scolaire public du Grand Nord de l'Ontario (P) CSD catholique du Nouvel-Ontario (P)	Mixed	Consortium Agreement
27	East of Thunder Bay Transportation Consortium	Superior-Greenstone DSB (F) Superior North Catholic DSB (F) Conseil scolaire public du Grand Nord de l'Ontario (F) CSD catholique des Aurores boreales (F)	Mixed	Consortium Agreement
28	Student Transportation Services of Thunder Bay	Lakehead DSB (F) Thunder Bay Catholic DSB (F) CSD catholique des Aurores boreales (F)	Mixed	Consortium Agreement
29	Rainy River District Transportation Services Consortium	Rainy River DSB (F) Northwest Catholic DSB (F)	English	Consortium Agreement
30	Northwestern Ontario Student Services Consortium	Keewatin-Patricia DSB (F) Kenora Catholic DSB (F) Northwest Catholic DSB (F) CSD catholique des Aurores boreales (F)	Mixed	Consortium Agreement

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31	Service de transport Francobus	Conseil scolaire Viamonde (F) Conseil scolaire catholique MonAvenir (F) Conseil scolaire catholique Providence (F)	French	Incorporation
32	Consortium de transport scolaire de l'Est	Conseil des écoles publiques de l'Est de l'Ontario (F) CSD catholique de l'est Ontarien (F)	French	Incorporation
33	Consortium de transport scolaire d'Ottawa	Conseil des écoles publiques de l'Est de l'Ontario (F) CSD catholique du Centre-Est de l'Ontario (F)	French	Incorporation
34	Conseil scolaire catholique de district des Grands Rivières	CSD catholique des Grandes Rivières (F)	N/A	N/A